



# **Judicial Council of California**

## **Administrative Office of the Courts**

Trial Court Financial Policies and Procedures

Procedure No.  
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# **RESPONSIBILITIES AND AUTHORITY**

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# Responsibilities and Authority

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## 2.0 Purpose

The purpose of this policy is to establish the general responsibilities and authority of trial court executives, managers, supervisors, and staff with regard to the financial operations of the court.

## 3.0 Policy Statement

The trial court is subject to the rules and policies established by the Judicial Council or by the AOC under delegation by the council to promote efficiency and uniformity within a system of trial court management. Within the boundaries established by the Judicial Council, each trial court has the authority and is responsible for managing its own operations. All employees are expected to fulfill at least the minimum requirements of their positions and to conduct themselves with honesty, integrity and professionalism. All employees shall also operate within the specific levels of authority that may be established by the trial court for their positions.

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## 4.0 Application

This procedure applies to all trial court employees and officials who are responsible for or participate in the financial operations of the court.

## 5.0 Definitions

The terms defined below apply to this policy and are for the express purpose of interpreting this policy.

1. **California Rules of Court.** Rules established by the Judicial Council to improve the administration of justice. The Judicial Council has constitutional authority to *“adopt rules for court administration, practice and procedure not inconsistent with statute.”* Rules of Court have the force of law.
2. **Comprehensive Annual Financial Report (CAFR).** The overall fiscal report for California state government, including the state trial court system. The trial courts submit financial information to the AOC for consolidation and submittal to the state for inclusion in the State of California CAFR. The CAFR includes financial statements and supporting schedules, documentation, statistics and introductory material to demonstrate conformity to GAAP and compliance with legal requirements, rules and regulations.
3. **Generally Accepted Accounting Principles (GAAP).** Uniform minimum standards and guidelines as established by the Financial Accounting Standards Board, for financial accounting and reporting which govern the form and content of the financial statements of the entity. GAAP encompass the conventions, rules and procedures necessary to define accepted accounting practices at a given time. They include not only broad guidelines of general application, but also detailed practices and procedures.

4. **Governmental Accounting Standards Board (GASB).** The authoritative accounting and financial reporting standard-setting body of government entities.
5. **Quarterly Financial Statement (QFS).** A report prepared by the trial court according to Judicial Council requirements and Government Code Section 77206, that is used to monitor the financial condition and budgeted expenditures of the trial court throughout the fiscal year. The AOC is required to submit an annual report based on the QFS to the Joint Legislative Budget Committee regarding trial court expenditures.

## 6.0 Text

### 6.1 Responsibilities

1. The following paragraphs define the general responsibilities of trial court executives, managers, supervisors and staff.
2. **Presiding Judge.** The Presiding Judge is ultimately responsible for all operations of the trial court. California Rules of Court, rule 6.603 lists the authority and duties for the Presiding Judge including:
  - a. Ensuring the effective management and administration of the court consistent with any rules, policies, strategic plan, or budget adopted by the Judicial Council or the court.
  - b. Ensuring that the court has adopted written policies and procedures allowing the Presiding Judge to perform efficiently the administrative duties of that office.
3. **Court Executive Officer.** The Court Executive Officer is an agent of the Presiding Judge. It is the responsibility of the Court Executive Officer to oversee the court's fiscal operations. California Rule of Court 6.610 lists 13 duties of the Court Executive Officer including:

- a. Supervise the employees of the court and, in accordance with Rule 6.650, draft for court approval and administer a personnel plan for court employees.
  - b. Prepare and implement court budgets, including accounting, payroll, and financial controls.
  - c. Negotiate contracts.
  - d. Analyze, evaluate, and implement technological and automated systems to assist the court.
  - e. Plan physical space needs, and purchase and manage equipment and supplies.
  - f. Create and manage uniform record-keeping systems, collecting data on pending and completed judicial business, and the internal operation of the court, as required by the court and the Judicial Council.
  - g. Identify problems, recommending procedural and administrative changes to the court.
4. **Fiscal Officer.** The Fiscal Officer (the Court Executive Officer may also assume this role, depending on the court's organizational structure) is responsible for managing the court's fiscal operations, accounting, and financial reporting. The Fiscal Officer also:
- a. Establishes, maintains and enforces all financial policies and procedures, whether they are developed internally or prescribed by statute or the Judicial Council.
  - b. Maintains the court accounting system and financial records.
  - c. Assures the implementation of a system of financial internal controls.
  - d. Assures the court has an efficient and effective system to record and report employee time and attendance, accrue leave, and distribute the court payroll.

- e. Plays a critical role in developing the court's annual budget.
  - f. If applicable, assures that all cash collected by the court is handled securely, properly accounted for and deposited, and accurately distributed and reported.
  - g. Ensures that trial court operations are in compliance with GAAP and GASB standards.
  - h. Monitors the trial court budget and actual expenditures to identify variances, determine their cause, and implement measures to reduce or eliminate future variances.
  - i. Prepares the court's financial statements including the QFS and CAFR financial information required by the Judicial Council.
  - j. Monitors cash flow and projects future cash flow needs to assure that the court can meet its financial obligations.
  - k. Serves as the primary point of contact for the court in the event of an audit of the courts financial records.
  - l. Maintains an inventory of the court's fixed assets and inventory items.
  - m. Performs other fiscal duties that may be delegated by the Court Executive Officer.
5. **Managers/Supervisors.** All managers and supervisors are responsible for ensuring that all fiscal operations and staff under their direction comply with the policies and procedures established by the trial court.
6. **Staff.** Each trial court staff member is responsible for observing the court's rules for ethical behavior and for complying with the policies and procedures established by the trial court.

## **6.2 Levels of Authority**

1. The court shall establish a system of authorization to provide effective management control over its assets, liabilities, revenues and expenditures. Specific levels and scopes of authority shall be established for executives, managers, supervisors, and staff, with dollar limits where appropriate, in areas such as procurement, contract approval, payment authorization, etc.
2. An authorization matrix listing the scope and levels of authority for various trial court employees shall be created and maintained by the court. The authorization matrix shall be updated as responsibilities change, and no less frequently than annually. The matrix shall be provided to court, county, and accounting service providers for reference as necessary. This matrix shall also be provided to internal and external auditors upon request.

## **6.3 Financial Personnel Requirements**

1. The trial court shall be staffed with knowledgeable and trained employees who will implement the financial and accounting policies and procedures presented in this manual in conducting trial court fiscal operations.
2. The trial court shall adopt written job descriptions for all positions covered by the policies and procedures contained in this manual. Each job description shall include a duty statement and minimum qualifications.

## **7.0 Associated Documents**

**None**